

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Municipal Administration and Urban Development Department – Utilisation of 40% of net municipal funds in Urban Local Bodies for development of slum areas – Opening of a separate account for UPA fund – Guidelines – Orders – Issued.

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MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMENT

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G.O.Rt.No. 1048 M.A.

Dated: 23.07.2009

Read the following:

1. G.O.Ms.No.265, MA, dated 19.07.2004.
2. G.O.Ms.No.397, MA, dated 25.9.2005.
3. From Urban Governance Experts, PMU, APUFIDC D.O.Lr.No. 23/SPIU/09, dated 11.06.2009.

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ORDER:

In the GOs 1<sup>st</sup> and 2<sup>nd</sup> read above, orders were issued, directing all Urban Local Bodies to utilize 40% net funds available with each ULB in slum areas for improving the living standards of urban poor by providing basic infrastructure and amenities and creating income generating opportunities and further ordered that priority be given to water supply and sanitation while utilizing funds in slum areas.

2. Government, for effective utilization of 40% of the funds in each ULB for improving the living standards of the urban poor, hereby issue the following guidelines to be scrupulously followed by each ULB:

**I. Identification of own Resources:**

Every Urban Local Body has to prepare an estimate of the own revenues to be realized for the next financial year as provided in the Budget Estimate as shown hereunder:

- a. Tax Resources
- b. Non-Tax Resources
- c. Assigned Revenues
- d. Non-Plan Grants.

The ULB has to prepare an estimate of the amount required for maintenance of all civic services including outsourcing of services, office and contingent expenditure, deduct this amount from total own resources and arrive at the own resources i.e. net municipal funds that will be available for undertaking developmental activities in the next financial year (pay & allowances and pensions of municipal employees are not included in this calculation since Government have issued orders for payment of salaries and pensions to municipal employees through treasuries with effect from 1-4-2009).

**II. Earmarking of 40% net funds for utilization in slum areas:-**

After ascertaining the amount available for undertaking developmental activities in the next financial year as stated above, 40% of the net municipal funds available for undertaking developmental activities shall be earmarked for utilization in slum areas by making a suitable provision in the budget estimate every year.

**III. Opening of separate account for Urban Poverty Alleviation Fund(UPAF):-**

All Municipal Commissioners shall open a separate account for UPA fund (Urban Poverty Alleviation) in the existing PD account for utilization of earmarked 40% net municipal funds in slum areas. All Municipal Commissioners shall transfer the earmarked funds in a financial year from general fund account to UPA fund account every quarter in four quarterly installments.

**IV .Utilization of funds in slum areas:-**

The UPA fund shall be utilized for the following components

- a. Water supply, drainage and sewerage
- b. Construction of community toilets
- c. Solid Waste Management
- d. Roads
- e. Street Lights
- f. Parks
- g. Community and livelihood centers
- h. Cost escalation, if any, in housing and infrastructure facilities of sanctioned and ongoing projects in slum relocation / upgradation / rehabilitation schemes of IHSDP
- i. Funding ULB contribution for PPP initiatives for slum development, and
- j. Preparing ULB level specific actionable development plans for slum and poverty free ULB and for its implementation
- k. Matching funds of ULBs for UPA intervention / activities.

**V. Carry forward the unutilized funds:-**

In cases where earmarked funds for development of slum areas are not utilized during a particular year, the said funds shall be carried forward to the subsequent year for utilization in slum areas.

**VI. Submission of quarterly progress report:-**

Commissioners of all ULBs except GHMC shall submit a quarterly progress report to Commissioner and Director of Municipal Administration, Hyderabad with a copy to Managing Director, APUFIDC and Mission Director, IKP-Urban (MEPMA), Hyderabad to reach by 10<sup>th</sup> of the completion of the quarter in Annexure-I. A review shall be undertaken on utilization of funds in slum areas by Mission Director, IKP-Urban (MEPMA), through Commissioner and Director of Municipal Administration, Hyderabad and communicated to all ULBs for necessary action.

**VII. Submission of quarterly progress report to the Government:-**

The C&DMA shall submit a quarterly progress report to the Government showing the funds utilized under UPA fund and the details of civic amenities provided in slum areas.

3. The Commissioner and Director of Municipal Administration, Hyderabad, Managing Director, APUFIDC Limited, Hyderabad and Commissioners of Hyderabad, Vijayawada and Visakhapatnam shall take necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PUSHPA SUBRAHMANYAM  
SECRETARY TO GOVERNMENT &  
COMMISSIONER, UPA

To

The Commissioner and Director of Municipal Administration, Hyderabad.

The Commissioner and Special Officer, GHMC, Hyderabad.

The Commissioner, Greater Visakhapatnam Municipal Corporation.

The Commissioner, Vijayawada Municipal Corporation, Vijayawada.

The Managing Director, APUFIDC Limited, Hyderabad.

The Director of Local Fund Audit, Hyderabad.

Copy to:

The P.S. to Hon'ble M(MA).

The P.S. to Secretary to Government.

The P.A. to Special Secretary to Government.

The MA & UD (A, D, F, K, J & TC) Department.

Sf/sc

//FORWARDED BY ORDER//

RESEARCH OFFICER

ANNEXURE TO G.O.Rt.No. 1048 MA & UD (UBS) Department, dated 23.07.2009

Progress report on utilization of 40% net municipal funds in alum areas for the quarter ending of \_\_\_\_\_

Name of the ULB:-

(Rs. In lakhs)

Financial year	Total funds available for developmental activities during the financial year i.e., net municipal funds	Amount earmarked for slum areas (40% of net funds shown in col.2)	Amount transferred to the UPA fund during the quarter	Cumulative amount transferred to UPA fund	Percentage of funds transferred (100/Col.3) x col.5	Amount utilized during the quarter	Cumulative amount utilized	Percentage of the funds utilized (100/col.3) x col.8	Balance amount (col.5-8)	Nature of amenities provided with brief details	Remarks
1	2	3	4	5	6	7	8	9	10	11	12